EXHIBIT 14

GPC BIOTECH AG (GPCB)

FRAUNHOFERSTRABE 20
82152 MUNCHEN
GERMANY, J0 00000

http://www.gpc-biotech.com

20-F

ANNUAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006
Filed on 06/21/2007 - Period: 12/31/2006
File Number 000-50825

Table of Contents

marketing studies, will allow the FDA to withdraw the drug from the market on an expedited basis. All promotional materials for drug candidates approved under accelerated regulations are subject to prior review by the FDA.

Although we have obtained a fast track designation from the FDA for our development of satraplatin to treat HRPC patients who have failed prior treatment with chemotherapy, we cannot guarantee a faster development process, review process or approval compared to conventional FDA procedures. Based upon an agreement reached with the FDA in 2005, the primary endpoint of the Phase 3 registrational trial for accelerated approval by the FDA will be progression−free survival. Although the FDA has informed us that our application will be reviewed under the provisions of 21 CFR 314 Subpart H, for accelerated approval, the FDA may not grant an accelerated approval if the agency concludes that the progression−free survival data and available overall survival data do not demonstrate that satraplatin provides a meaningful therapeutic benefit to patients over existing treatments, or that the data are otherwise inadequate to support the granting of an accelerated approval. The data may be deemed inadequate due to weaknesses, inconsistencies or differences in the data with respect to data subsets or subpopulations in the treatment group.

Orphan Drug Designation. Orphan drug designation is designed to encourage manufacturers to develop drugs intended for a rare disease or condition. A rare disease or condition is statutorily defined as one affecting fewer than 200,000 individuals in the United States, or one that affects more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making available the drug for the disease or condition will be recovered from sales of the drug in the United States. An application for designation as an orphan product can be made any time prior to the filing of an application for approval to market the product**.** A drug becomes an “orphan” when it receives orphan designation from the Office of Orphan Products Development, or OOPD, at the FDA based on acceptable confidential requests made under the regulatory provisions. The drug must then go through the new drug approval process like any other drug. Orphan drug designations are decided solely by the OOPD staff, but the OOPD occasionally will request opinions from the Center for Drug Evaluation and Research, especially when dealing with issues such as the appropriateness of the requested indication or the scientific rationale described by the sponsor. More than one sponsor may receive orphan drug designation for the same drug for the same rare disease or condition, but each sponsor seeking orphan drug designation must file a complete request for designation.

Orphan drug designation qualifies a company for incentives including tax credits and marketing exclusivity. A designated orphan product will have marketing exclusivity for seven years following the date of the drug’s marketing approval, provided the product is the first designated orphan to be approved for the designated indication.

A sponsor may request orphan drug designation of a previously unapproved drug, or of a new orphan indication for an already marketed drug. In addition, a drug that is otherwise the same drug as an already approved orphan drug may be approved for marketing during the first product’s exclusivity period if the sponsor can show that its drug is “clinically superior” to the first drug.

The period of exclusivity begins on the date that the marketing application is approved by the FDA and applies only to the indication for which the drug has been designated. During the orphan exclusivity period, the FDA can approve a second application for the same drug for a different use. The FDA cannot, however, approve the same drug made by another manufacturer for the same indication during the marketing exclusivity period unless it has the consent of the sponsor or the sponsor is unable to provide sufficient quantities.

We timely applied to OOPD on August 13, 2003 for designation of satraplatin as an orphan drug for the treatment of HRPC. That application was followed by a period of correspondence with FDA

Table of Contents

2005 vs. 2004

Revenues for the year ended December 31, 2005 decreased by approximately 26%, to € 9.3 million, from € 12.6 million for the year ended December 31, 2004. The following table summarizes our revenues for the years ended December 31, 2005 and 2004 (in millions of €, except % change):

	2005	2004	Change	% Change
Amortization of deferred upfront payments and annual license fees	6.2	6.0	0.2	3.3%
FTE Services	1.1	3.6	(2.5)	(69.4)%
Milestones	2.0	3.0	(1.0)	(33.3)%
Total	9.3	12.6	(3.3)	(26.2)%

Total revenues decreased 26.2% from 2004. This decrease is in accordance with the research plan set forth at the initiation of the research collaboration with ALTANA Pharma. We expect further decreases in revenue from this collaboration agreement as our current arrangements expire in 2007.

Full Time Equivalent, or FTE, services decreased 69.4% as fewer resources were utilized in research collaboration in 2005. This decrease is in accordance with the research plan set forth at the initiation of the research collaboration. The establishment term expires in June 2007.

Milestone revenues decreased 33.3% during 2005. This decrease is due to the timing of the achievement of milestones in our ALTANA Pharma arrangements.

Analysis of Operating Loss

Research and Development Expenses

We incur development expenses related to our clinical and preclinical drug development programs. We also incur research expenses associated with both partnered and unpartnered research and discovery activities, as well as the development and maintenance of our drug discovery technologies.

The following table summarizes the costs of significant projects and reconciling items to arrive at total research and development expenses for the periods shown (in thousands of €):

	Year ended December 31,				
	2006	2005	2004	2002 to 2003	Total 2002−2006
Project Costs:					
Satraplatin	29,817	23,087	14,907	12,400	80,211
1D09C3	1,374	1,660	3,092	5,549	11,675
Cost of performing research and development for others	249	910	1,371	7,289	9,819
Other projects	9,985	8,475	5,196	15,557	39,213
Total project cost	41,425	34,132	24,566	40,795	140,918
Other costs to arrive at total research and development expenses:					
Benefits and other salaries	11,071	7,419	6,445	12,700	37,635
Stock−based compensation	2,876	3,259	1,982	3,965	12,082
Building and facilities	3,098	3,468	3,882	6,791	17,239
Depreciation	1,323	3,350	1,253	3,265	9,191
Intellectual property expenses	518	593	891	2,465	4,467
Other expenses	4,396	3,463	936	5,607	14,402
Total research and development expenses	64,707	55,684	39,955	75,588	235,934